

SENATE FILE 2246
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Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act creating the fair share health care fund and providing for
2 assessments, penalties, and an appropriation.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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COMMERCE

SF 2246

1 Section 1. NEW SECTION. 249A.35 FAIR SHARE HEALTH CARE
2 FUND.

3 1. DEFINITIONS. As used in this section, unless the
4 context otherwise requires:

5 a. "Employee" means a natural person who is employed in
6 this state for wages by an employer on a full-time or part-
7 time basis. "Employee" does not include employees of the
8 federal government, the state, another state, a political
9 subdivision of another state, or a political subdivision of
10 this state.

11 b. "Health care expenditures" means the amount paid by an
12 employer to provide health care benefits or reimburse
13 employees for their health care costs, including but not
14 limited to payments for medical care, prescription drugs,
15 vision care, and medical savings accounts.

16 c. "Wages" means compensation owed by an employer for
17 labor or services rendered by an employee, whether determined
18 on a time, task, piece, commission, or other basis of
19 calculation.

20 2. DIRECTOR'S ANNUAL REPORT.

21 a. Beginning on January 1, 2007, and annually thereafter,
22 the director shall compile information as of December 31 of
23 the previous year, concerning the number of full-time and
24 part-time employees in the state who receive benefits under
25 the medical assistance program under this chapter or who have
26 dependents who receive benefits under the healthy and well
27 kids in Iowa program under chapter 514I and the name of the
28 employer of such employees.

29 b. (1) The director shall submit an annual report not
30 later than March 15 to the governor, the general assembly, and
31 the legislative services agency that contains a summarization
32 of information compiled by the director pursuant to paragraph
33 "a".

34 (2) The director, in consultation with the department of
35 workforce development, shall also include information in the

1 annual report about any employer that has eight thousand or
2 more employees in the state including all of the following
3 information compiled as of December 31 of the previous year:

4 (a) The name of the employer.

5 (b) The employer's definition of full-time and part-time
6 employee.

7 (c) The number of full-time and part-time employees in the
8 state of the employer.

9 (d) The percentage of total wages that the employer spent
10 on health care expenditures for its employees in the state,
11 excluding wages paid to employees enrolled in or eligible for
12 Medicare.

13 4. FAIR SHARE HEALTH CARE FUND -- ASSESSMENT -- MEDICAL
14 ASSISTANCE PROGRAM.

15 a. An employer that has eight thousand or more employees
16 in the state as of December 31 of the previous year and that
17 spent less than an amount equal to nine percent of the total
18 amount of wages paid by that employer to employees in the
19 state in the previous year, excluding wages paid to employees
20 who were enrolled in or eligible for Medicare, on health care
21 expenditures for those employees, is assessed and shall pay to
22 the director an amount equal to the difference between the
23 amount the employer spent for such health care expenditures
24 and nine percent of total wages paid as set forth in this
25 paragraph.

26 b. The director shall determine the means and method of
27 collecting the assessments by rules adopted under chapter 17A.
28 All moneys collected by the director pursuant to this
29 subsection shall be forwarded to the treasurer of state, who
30 shall deposit the moneys in a fair share health care fund
31 created in the state treasury under the control of the
32 director. The moneys deposited in the fund are appropriated
33 and shall be used only for the purposes of the medical
34 assistance program as defined in this chapter.

35 Notwithstanding section 12C.7, subsection 2, interest or

1 earnings on moneys that are deposited in the fund shall be
2 credited to the fund, and notwithstanding section 8.33, moneys
3 credited to the fund shall not revert to the general fund of
4 the state at the close of a fiscal year.

5 5. PENALTIES.

6 a. An employer that fails to pay the assessment as
7 required under subsection 4 is in violation of this section
8 and shall pay an administrative penalty of five hundred
9 thousand dollars.

10 b. Penalties assessed under this subsection shall be paid
11 to the director, who shall forward the moneys to the treasurer
12 of state for deposit in the fair share health care fund.

13 EXPLANATION

14 This bill creates the fair share health care fund, provides
15 for assessments of certain employers, makes an appropriation
16 of the assessments, and provides for penalties.

17 The bill applies to employers with 8,000 or more employees
18 in the state. The bill does not apply to the federal
19 government, the state, another state, or a political
20 subdivision of the state or another state.

21 Beginning on January 1, 2007, the director of the
22 department of human services is required to compile
23 information as of December 31 of the previous year concerning
24 the number of full-time and part-time employees in the state
25 who receive benefits under the medical assistance program
26 under Code chapter 249A or have dependents who receive
27 benefits under the healthy and well kids in Iowa program under
28 Code chapter 514I and the name of the employer of such
29 employees.

30 The director of human services is required to submit an
31 annual report to the governor, the general assembly, and the
32 legislative services agency, not later than March 15,
33 summarizing the information compiled as of December 31 of the
34 previous year. In addition, the director, in consultation
35 with the department of workforce development, is required to

1 include information in the report about any employer that has
2 8,000 or more employees in the state, including the name of
3 the employer, the employer's definition of full-time and part-
4 time employment, the number of full-time and part-time
5 employees in the state of the employer and the percentage of
6 total wages that the employer spent on health care
7 expenditures for employees in the state, excluding wages paid
8 to employees enrolled in or eligible for Medicare.

9 The bill creates the fair share health care fund under the
10 control of the director of human services. The bill requires
11 an employer that employs 8,000 or more employees in the state
12 and that spent less than an amount equal to 9 percent of the
13 amount of total wages paid to its employees in the state on
14 health care expenditures for those employees in the previous
15 year, to pay to the director an amount equal to the difference
16 between the amount the employer spent for such health care
17 expenditures and the amount equal to 9 percent of the amount
18 of total wages paid to its employees in the state, excluding
19 wages paid to employees enrolled in or eligible for Medicare.

20 The director of human services is required to adopt rules
21 to establish the means and method of collecting the
22 assessments and to forward all moneys collected to the
23 treasurer of state for deposit in the fair share health care
24 fund. The bill provides that the moneys in the fund are
25 appropriated and shall be used only for the purposes of the
26 medical assistance program as defined in Code chapter 249A.
27 Earnings and interest on moneys in the fund remain in the fund
28 and unused moneys in the fund do not revert to the general
29 fund of the state at the end of the fiscal year.

30 The bill provides that an employer that fails to pay the
31 required assessment is liable for an administrative penalty of
32 \$500,000. Penalty payments are required to be deposited in
33 the fair share health care fund.

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